

SB 5039 - An Act Relating to Milk and Milk Products

Brief overview of agency program:

The Food Safety Program protects the public from injury and illness caused by food products that are contaminated, adulterated or otherwise unfit for consumption. The program investigates consumer complaints related to food products and/or facilities in addition to inspecting and regulating food processors, dairy farms, dairy producers, custom meat facilities and slaughter trucks, food warehouses, wineries & breweries, produce packers, and the egg industry. The program also handles food recalls and works closely with the Food and Drug Administration (FDA) and U. S. Department of Agriculture (USDA) on inspections, food trace backs and investigations.

This is accomplished by inspecting facilities, reviewing processes and temperature controls, and sampling food products for pathogens and pesticide residues. Facilities are inspected for product adulteration, cleanliness, cross contact with allergens in food ingredients, potential for cross contamination with chemicals and toxic materials, and for evidence of rodent infestation. Over 13,000 inspections and tests are conducted each year. This includes food samples, which are analyzed for pathogens, pesticide residues and product standards, and candling and weighing eggs to determine if they meet quality and grade standards.

Statement of need for the bill:

Capping Methods: Washington state law has required that milk processors use a mechanical capping method for bottling and capping milk and milk products. However, many milk processing operations are not able to locate and purchase mechanical capping equipment appropriate to their operations. Smaller milk processing operations find that small filling systems are no longer available and bigger operations have large package containers for which no mechanical closure system has been developed.

This bill eliminates the requirement that capping be done with mechanical equipment, allowing processors to also use hand capping. Under the bill, all capping – both mechanical and hand – must be done in a sanitary manner with equipment and operations approved by the department. Similar sanitary bottling and capping methods are routinely used by juice processors, bottle water operations and wineries. This provides much needed flexibility, especially to small on-farm processors who cannot find nor afford mechanical capping equipment to meet their business needs.

Licensing: There has been some confusion in licensing milk processors. Many firms that process milk also process other food products. For example, a milk bottler may also bottle water or juices, or a small dairy may also produce sweeteners or dietary supplements which are considered food products. There have also been some inequities in the licensing fees paid by milk processing plants and food processing plants, which has added to the confusion.

This bill addresses some of the inequity by increasing the licensing fee for a milk processing plant from \$25 to \$55. A \$55 licensing fee is consistent with the license fee paid by small-scale food processors (those with gross annual sales of \$50,000 or less). The fee increase affects 38 milk processing facilities. The \$30 increase will generate an additional \$1,140 annually in revenues.

The bill also clears up confusion about which license must be obtained and which fees must be paid by persons who process milk and milk products. Under the bill:

- A person who only processes milk and milk products is only required to obtain a milk processing plant license, pay a \$55 license fee and any milk assessment due under RCW 15.36.551.
- A person who, in addition to processing milk and milk products, processes other food products, is required to obtain both a milk processing plant license and a food processing license but only required to pay the \$55 license fee and any milk assessment due under RCW 15.36.551.

This table summarizes the licensing and fee requirements for milk processors under this bill.

Activity	Required License		License Fee	Pays Milk Assessment*
	<i>Milk Processing</i>	<i>Food Processing</i>		
Process only milk and milk products	X		\$55	Yes
Process both milk and milk products and non-milk products	X	X	\$55	Yes
Process only non-milk products		X	\$55-825**	No
*Milk processing plants whose assessment totals less than \$20 in any given month are exempt from paying this assessment for that month (see RCW 15.36.551). ** License fee based on gross annual sales (see RCW 69.07.040).				

Summary of the major provisions of the bill:

1. Eliminates the requirement that capping of milk and milk products be done with mechanical equipment by amending RCW 15.36.231 and RCW 15.36.241 (Sections 2 & 3 of the bill) to both state that capping shall be done “in a sanitary manner by means of approved equipment and operations” with no specific mention of whether the manner is mechanical or by hand.
2. Clarifies the licensing requirements for facilities that process milk and milk products.

Section 1 of the bill amends RCW 15.36.051 to clarify that:

- A business that only processes milk and milk products must be licensed as a milk processing plant and is exempt from licensing as a food processor.
- A business that processes milk and milk products and other food products must be licensed as both a milk processing plant and a food processor but is exempt from the food processor license fee.

Section 1 also changes the annual license fee for a milk processing plant from \$25 to \$55 to be consistent with the license fee of small-scale food processing plants. Section 4 deposits the fee in the Agricultural Local Fund instead of the state general fund.

3. Effective date: Section 5 specifies a July 1, 2005 effective date for Sections 1 and 4, which coincides with the start of the annual licensing period for milk processing plants and food processors. (Section 2 and 3 are effective July 24, 2005.)

For more information, contact the Food Safety Program at (360) 902-1875 or foodsafety@agr.wa.gov